

## Message Text

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O R 260229Z JUN 78

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC IMMEDIATE 3622

INFO AMEMBASSY TOKYO

AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY OTTAWA

AMEMBASSY THE HAGUE

AMEMBASSY PARIS

AMEMBASSY MOSCOW

AMEMBASSY VIENNA

AMEMBASSY BRUSSELS

AMEMBASSY ROME

AMEMBASSY TEHRAN

C O N F I D E N T I A L SECTION 1 OF 4 CANBERRA 4959

USIAEA

E.O. 11652: GDS

TAGS: TECH, ENRG, MNUC, AS

SUBJECT: US-AUSTRALIAN DISCUSSIONS ON NUCLEAR SAFEGUARDS

1. SUMMARY: US-GOA DISCUSSIONS ON NUCLEAR ISSUES AND A  
DRAFT US-GOA NUCLEAR COOPERATION AGREEMENT, CONDUCTED IN  
CANBERRA JUNE 21-23 BY US DELEGATION LED BY DEPUTY UNDER  
SECRETARY NYE AND DEPUTY ASSISTANT SECRETARIES NOSENZO  
(STATE) AND SIEVERING (DOE) CONFIRMED ESSENTIAL SIMILARITY OF  
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VIEWS BETWEEN THE AUSTRALIANS AND OURSELVES. THERE ARE VIRTUALLY  
NO SUBSTANTIVE DIFFERENCES, AND THE GOA WISHES TO MOVE  
QUICKLY AHEAD ON BOTH AN INTERIM EXCHANGE OF NOTES (FOR  
THE IMMEDIATE FUTURE) AND THE FORMAL GOVERNMENT-TO-  
GOVERNMENT NUCLEAR COOPERATION AGREEMENT. THE GOA  
BASICALLY SHARES OUR VIEWS ON THE CONCEPT OF MULTI-  
NATIONALITY OF FUEL PROCESSING (ENRICHMENT) FACILITIES,

ENVINCED INTEREST IN THE US-PROPOSED CONCEPT OF A "FUEL TRUST" AND A POSSIBLE WILLINGNESS TO CONSIDER AN AUSTRALIAN FUEL CONTRIBUTION TO THE "TRUST", BUT WAS UNRECEPTIVE TO QUESTIONS ABOUT WASTE DISPOSAL IN THE AUSTRALIA/PACIFIC ISLANDS AREA. IT ALSO WANTS TO DELA WITH ENVIRONMENTAL PROTECTION SEPARATELY FROM A BILATERAL SAFEGUARDS AGREEMENT. FERNANDEZ UNDERTOOK TO TRY TO GET SPEEDY GOA ISSUANCE OF PUBLIC STATEMENTS BOTH IN SUPPORT OF THE MULTINATIONAL CONCEPT OF FUEL PROCESSING (ENRIGHMENT) PLANTS AND THAT OF THE PROPOSED "FUEL TRUST." DR. NYE MET WITH DEPUTY PRIME MINISTER ANTHONY WHO ENDORSED THE PRINCIPLES STATED ABOVE AND STRESSED THE GOA'S DESIRE FOR SPEEDY ACCOMPLISHMENT OF A BILATERAL AGREEMENT, ASKING IF IT MIGHT EVEN BE POSSIBLE TO HAVE ONE READY FOR HIM TO INITIAL DURING A PLANNED VISIT TO WASHINGTON NEXT MONTH. END SUMMARY.

2. AFTER BRIEF OPENING REMARKS IN EHCICH THE GOA SIDE, LED BY ROY FERNANDEZ, EXPRESSED APPRECIATION FOR THE US WILLINGNESS TO COME TO CANBERRA TO SHARE WITH THE AUSTRALIANS OUR THINKING ABOUT WHERE WE STAND AND WHERE WE THINK WE'RE GOING ON NUCLEAR ISSUES, DR. NYE PROVIDED A BRIEF OVERVIEW. THE CONCERNS WE HAVE ABOUT NON-PROLIFERATION ANTECEDE THE CARTER ADMINISTRATION AND ARE SHARED BY ALL THE MAJOR DEMOCRATIC SOCIETIES. WE BELIEVE WE HAVE TAKEN A SERIES OF POSITIVE STEPS  
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DESIGNED TO EASE THE THREAT OF PROLIFERATION OF NUCLEAR WEAPONS AND ENHANCE THE SAFEGUARDS GOVERNING THE USE OF NUCLEAR MATERIALS FOR PEACEFUL PURPOSES. EFFORTS TO BRING REAL MEANING TO THE TREATY OF TLAPELOLCO, OUR EFFORTS TO REACH AGREEMENT ON A CTB, AND THE INSTITUTION OF THE INFCE ARE ALL MANIFESTATIONS OF THIS. WITH RESPECT TO THE QUESTION OF "INTENTIONS" OF POTENTIAL AND ACTUAL NUCLEAR POWERS, WE BELIEVE WE HAVE MADE RELATIVELY GOOD PROGRESS IN CURBING THE THREAT. WITH RESPECT TO "CAPABILITIES", WE RECOGNIZE THAT THE SPREAD OF NUCLEAR TECHNOLOGY IS PROBABLY INEVITABLE, AND IT MAY NOT BE TOTALLY DESIRABLE TO TRY TO HALT IT. WHAT IS IMPORTANT IS TO TRY TO KEEP THE MAXIMUM POSSIBLE DISTANCE BETWEEN THE DEVELOPMENT OF NUCLEAR TECHNOLOGY FOR PEACEFUL PURPOSES AND THAT FOR WEAPONRY. WE BELIEVE THE IAEA SYSTEM HAS BEEN TO A CONSIDERABLE DEGREE SUCCESSFUL IN PRESERVING THIS DISTINCTION.

3. OUR PRESENT GOALS ARE TO SHATTER THE MYTH OF THE NECESSITY TO RUSH INTO A PLUTONIUM ECONOMY BY PROVIDING ALTERNATIVES WHILE FURTHER WORK IS DONE INTO THE NUCLEAR FUTURE; TO REINFORCE SAFEGUARDS AGAINST THE

POSSIBLE USE OF NUCLEAR MATERIALS FOR NON-PEACEFUL PURPOSES; TO CREATE INCENTIVES FOR COUNTRIES TO FEEL THAT THEY DON'T HAVE TO DEVELOP THE WHOLE CYCLE OF NUCLEAR FUEL FACILITIES; AND TO CREATE A CONSENSUS ON AN INTERNATIONAL (MULTILATERAL) REGIME FOR AN INTERNATIONAL NUCLEAR FUEL CYCLE THAT WOULD CONFINE THE NUMBER OF SENSITIVE FACILITIES TO ONLY THOSE ABSOLUTELY NECESSARY, AND WITH A TECHNICAL AND POLITICAL FRAMEWORK THAT MAXIMIZES THE DISTANCE BETWEEN USES OF NUCLEAR ENERGY FOR PEACEFUL PURPOSES AND NUCLEAR WEAPONS. WE BASICALLY FEEL THAT WITHIN THE TWO YEARS FOR THE FORMAL PROCESS OF INFCE WE WILL BE PRETTY CLOSE TO "FULL-SCOPE" SAFEGUARDS. THERE NEEDS TO BE ARGEEMENT THAT COUNTRIES SHOULD NOT DEVELOP NUCLEAR RE-PROCESSING FACILITIES UNLESS

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THESE CAN BE SHOWN TO BE ECONOMICLALLY JUSTIFIABLE. WHEN THESE FACILITIES ARE DEVELOPED, THEY SHOULD UTILIZE THE MOST DIVERSION-RESISTANT TECHNOLOGY POSSIBLE AND MULTINATIONAL INSTITUTIONAL CONTROLS. INSTITUTIONS SHOULD BE DEVELOPED TO HELP CONTRIES WHICH DON'T HAVE FULL FUEL CYCLE FACILITIES AND TO PROVIDE INCENTIVES TO NOT DEVELOP THEM. AND FINALLY, THE INSTITUTIONS WHICH ARE DEVELOPED SHOULD REINFORCE THE IAEA SAFEGUARDS SYSTEM.

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4. FERNANDEZ, IN REPLY, REPEATED THE GOA'S APPRECIATION FOR THE LONG TRIP TO AUSTRALIA TAKEN BY THE TEAM IN ORDER TO SHARE THE US THINKING WITH THE GOA. HE SAID AUSTRALIA HAD LONG ASSOCIATED ITSELF WITH THE DESIRE TO CONTROL THE SPREAD OF NUCLEAR WEAPONRY, PERHAPS MOST STRONGLY BECAUSE OF THE HARSH AUSTRALIAN PUBLIC REACTION TO THE FRENCH NUCLEAR TEST IN AUSTRALIA'S FRONT YARD. THE AUSTRALIAN INTERNAL DEBATE ON MINING AND EXPORT OF URANIUM CUTS ACROSS PARTY LINES  
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AND IS NOT MERELY A REFLECTION OF SMALL BUT VOCIFEROUS OPPONENTS OF NUCLEAR TECHNOLOGY. THE PAST YEAR HAS SEEN AN EVOLUTION IN AUSTRALIAN POLICY WHICH THE GOA HOPES WILL RAPIDLY LEAD TO A MARRIAGE BETWEEN THE DEVELOPMENT OF AN AUSTRALIAN NUCLEAR ENERGY INDUSTRY, APPROPRIATELY SAFEGUARDED, AND A POLICY EMPHASIS ON THE DEVELOPMENT OF AN INTERNATIONAL REGIME OF SAFEGUARDS AND CONTROLS.

5. AUSTRALIA WAS CONCERNED ABOUT A COUPLE OF ASPECTS IN THE DEVELOPING ATMOSPHERE AROUND NUCLEAR TECHNOLOGY; FIRST IS THE QUESTION OF "DISCRIMINATION", WHICH HAS BEEN SUCCESSFULLY EXPLOITED BY SEVERAL POTENTIAL NUCLEAR POWERS (PAKISTAN, INDIA, YUGOSLAVIA) TO GAIN WIDESPREAD SUPPORT FOR ATTACKS AGAINST CURRENT NUCLEAR WEAPONS STATES, LEADING TO THE ACRIMONIOUS DEBATE AT THE SSOD. SECOND IS AUSTRALIA'S FIRM SUPPORT FOR UNIVERSAL ADHERENCE TO THE NPT AND COLLATERAL CONCERN THAT BY TRYING TO BE "REALISTIC" ABOUT THE LIKELIHOOD OF GETTING SUCH PROBLEM CASES AS INDIA AND ISRAEL INTO THE NPT FRAMEWORK, WE RUN THE RISK OF LOSING OTHER COUNTRIES (SPAIN, TURKEY, INDONESIA) THAT WE VERY MUCH WANT TO GET INTO THE NPT. THE GOA BELIEVES THERE IS SOME MERIT IN LOOKING AT THE LIST OF THOSE WHO REMAIN OUTSIDE THE NPT WITH AN EYE TO SINGLING OUT THE ONES WHO MIGHT BE AMENABLE TO PRESSURE AND GETTING THEM INTO IT, SLOWLY BUT SURELY ISOLATING THE "HARD-LINERS"

(LIKE INDIA AND ISRAEL) AND THUS MAKING IT MORE DIFFICULT FOR THEM TO REMAIN OUTSIDE THE NPT OR USE THEIR TECHNOLOGY FOR NON-PEACEFUL PURPOSES. THE GOA BELIEVES THAT IF SUCH A STRATEGY WERE PURSUED, IT WOULD BE INCREASINGLY DIFFICULT FOR THE TOUGHEST NUTS (FRANCE AND THE PRC) TO CONTINUE TESTING. THE GOA BELIEVES THAT THE CHINESE HAVE SHOWN AMPLE CONCERN FOR NOT BEING ISOLATED FROM THE THIRD WORLD IN THIS ISSUE, RECOGNIZING THAT EVEN THOUGH IT NOW HAS

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NUCLEAR WEAPONS, THE STRATEGIC GAP BETWEEN IT AND THE SOVIETS CONTINUES TO WIDEN.

6. THERE FOLLOWED A BRIEF DISCUSSION ABOUT SPECIFIC DEVELOPMENTS: NYE COMMENTED ON THE TALKS BETWEEN PRESIDENT CARTER AND INDIAN PM DESAIK SAYING THAT WE DREW MODEST ENCOURAGEMENT FROM THE FACT THAT THE INDIANS SEEMED TO APPRECIATE OUR EFFORTS TO RELATE PROGRESS ON A CTB TO THEIR OWN DOMESTIC POLITICAL PROBLEMS WITH "FULL-SCOPE" SAFEGUARDS. FERNANDEZ NOTED, WITH RESPECT TO US EFFORTS TO STRENGTHEN THE TLATELOLCO SYSTEM, THAT THE CONCEPT OF A SOUTH PACIFIC NUCLEAR WEAPONS FREE ZONE CONTINUES TO GIVE THE GOA SOME PROBLEMS, MAINLY, BECAUSE OF THE PERSISTENCE IN PAPUA NEW GUINEA'S REATEDLY MENTIONING IT. ALTHOUGH SYMPATHISING WITH THE NWFZ PRINCIPLE, THE GOA IS RELUCTANT TO SEE IT RAISED (IN NON-PROLIFERATION TERMS) TO THE STATUS OF A CTB OR NPT. THE TROUBLE WITH A NWFZ IS THAT IT TENDS TO GET WRAPPED UP IN ALLIANCES AND SECURITY RELATIONSHIPS. NYE ANSWERED THAT OUR POSITION ON NWFZ WOULD IN NO WAY INTERFERE WITH ALLIANCES.

7. THE GOA SIDE THEN REVIEWED DEVELOPMENTS IN ITS INTERNAL NUCLEAR POLICY. IT HAS ANNOUNCED A URANIUM MINING AND EXPORT MARKETING POLICY WHICH CLEARS THE WAY FOR NEGOTIATIONS OF BILATERAL SAFEGUARDS AGREEMENTS AND SUPPLY AGREEMENTS. IT WOULD LIKE TO GET ON WITH THESE AS QUICKLY AS POSSIBLE, AND WOULD VERY MUCH LIKE A US-GOA AGREEMENT TO SET THE STANDARD. FIRST, IT BELIEVES IF IT CAN SHOW THAT IT HAS A TOUGH BILATERAL SAFEGUARDS AGREEMENT WITH THE US, IT CAN USE THIS AS A PRECEDENT FOR INSISTING UPON TOUGH STANDARDS IN ITS OTHER BILATERAL AGREEMENTS, PARTICULARLY WITH THE JAPANESE AND IRANIANS, BOTH OF WHOM HAVE TRIED TO PLAY THE AUSTRALIANS OFF AGAINST OTHER POTENTIAL SUPPLIERS. SECOND, IT BELIEVES THAT THE SOONER AUSTRALIAN URANIUM ENTERS THE MARKET, THE LESS THE PRESSURE WILL BE TO MOVE TOWARD NUCLEAR TECHNOLOGIES

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WHICH ARE ANTITHETICAL TO AUSTRALIA'S DESIRE FOR A  
STRONG INTERNATIONAL SAFEGUARDS/NON-PROLIFERATION REGIME.

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8. AUSTRALIA IS NOT NOW PARTICULARLY PREOCCUPIED WITH  
ENRICHMENT BECAUSE IT WILL BE CONCENTRATING MAINLY ON  
MINING AND EXPORT FOR THE PROXIMATE FUTURE. IN THE LONGER  
TERM, HOWEVER, IT WOULD LIKE TO BE ABLE TO DERIVE THE  
FINANCIAL BENEFITS OF OFFERING ENRICHMENT SERVICES, AND  
IT IS HESITANT ABOUT THE DOMESTIC POLITICAL IMPLICATIONS  
OF BEING SEEN TO HAVE LITTLE CONTROL OVER FACILITIES ON ITS  
OWN TERRITORY ENRICHENING ITS OWN URANIUM FOR SALE TO THIRD  
COUNTRIES. NYE TOOK THE POINT, BUT NOTED THE DISASTROUS  
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PRECEDENCE FOR COUNTRIES LIKE GABON, ZAIRE, ETC) OF "NATIONAL" PLANTS WHOSE ALLEGED JUSTIFICATION WAS EITHER THE ECONOMIC ONE OF "VALUE ADDITION" OR SOVEREIGN CONTROL. SIEVERING DESCRIBED THE SOFTNESS OF THE ENRICHMENT MARKET. NYE POINTED OUT THAT A DECLARATION THAT ANY FUTURE PLANTS SHOULD BE MULTINATIONAL NEED NOW AWAIT ECONOMIC FEASIBILITY STUDIES, BUT WOULD BE HELPFUL NOW. FERNANDEZ AGREED, AND PROMISED TO PURSUE NYE'S SUGGESTION THAT A PUBLIC STATEMENT THAT ANY ENRICHMENT FACILITY IN AUSTRALIA BE MULTINATIONAL WOULD BE HELPFUL. THE GOA ALSO BELIEVES THERE NEEDS TO BE FURTHER THOUGHT ABOUT USING 20 PERCENT AS A BENCHMARK FOR CEILINGS ON ENRICHMENT LEVELS, BELIEVING THAT THE DEVELOPMENT OF NEW TECHNOLOGIES AND ADVANCED RESEARCH MAY REQUIRE A HIGHER DEGREE OF ENRICHMENT BUT STILL NOT NECESSARILY INCREASE THE PROLIFERATION RISK.

9. THE "ENVIRONMENTAL" CONCERN IS ONE WHICH VERY MUCH PREOCCUPES AUSTRALIA, AND IS ONE IN WHICH THEY FIND THEIR THINKING VERY CLOSE TO OUR OWN. THE GOA, HOWEVER, WOULD VERY MUCH LIKE TO DIVORCE THE "ENVIRONMENTAL" QUESTION FROM A BILATERAL US-GOA NUCLEAR COOPERATION AGREEMENT BECAUSE IT BELIEVES THE PRINCIPAL EMPHASIS IN THE BILATERAL AGREEMENT SHOULD BE ON "SAFEGUARDS." ANYTHING WHICH DISTRACTS FROM THIS CARDINAL PURPOSE SHOULD BE DEALT WITH IN ANOTHER WAY. THE GOA, FERNANDEZ STRESSED, DOES NOT DISAGREE WITH US GOALS HERE; IT IS SIMPLY THAT ENVIRONMENTAL PROTECTION REQUIRES CONSIDERABLE DEPTH AND ATTENTION, DEPTH AND ATTENTION WHICH IT IS NOT LIKELY TO GET IF IT IS BLENDED IN WITH A "SAFEGUARDS" AGREEMENT, AND DEPTH AND ATTENTION WHICH IF GIVEN IN THE "SAFEGUARDS" AGREEMENT WOULD INEVITABLY DETRACT FROM THE PRINCIPAL PURPOSE OF THAT AGREEMENT. THE GOA, FERNANDEA  
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REPEATED, WOULD VERY MUCH PREFER TO SEE ENVIRONMENTAL CONCERNS DEALT WITH SEPARATELY. THE US SIDE OFFERED TO FURNISH THE GOA WITH APPROPRIATE MATERIAL ON US ARRANGEMENTS WITH VARIOUS OTHER COUNTRIES IN THE AREA OF HEALTH, SAFETY, AND ENVIRONMENTAL PROTECTION.

0. THERE WAS SOME DISCUSSION OF PROJECTIONS OF FUTURE CONSUMPTION OF URANIUM, AND THE GOA SIDE LISTENED WITH CONSIDERABLE INTEREST TO US FORECASTS. THEY COMMENTED THAT, WITH RESPECT TO COSTS OF ALTERNATIVE TECHNOLOGIES,

IT WOULD BE DIFFICULT TO ACCURATELY ASSESS ECONOMICS OF REPROCESSING AND DIFFERENT TECHNOLOGIES "UNTIL SOMEONE HAS ACTUALLY BUILT A BREEDER REACTOR AND OPERATED IT FOR A DECADE." NYE NOTED THAT THE US BELIEVED THERE NEEDED TO BE SERIOUS DISCUSSIONS WITH THE BRITISH, FRENCH, JAPANESE, AND OTHER EUROPEANS INSIDE INFCE ON REPROCESSING; FERNANDEZ STRESSED THE GOA'S "VERY SERIOUS INTEREST IN PARTICIPATING IN THIS, SINCE WE, LIKE THE CANADIANS, ARE TYING RESOLUTION OF 'RIGHTS OVER REPROCESSING' TO THE OUTCOME OF THE INFCE. WE WILL BE UNDER SERIOUS PRESSURE TO DECLARE A UNILATERAL POSITION ON THIS UNLESS WE'RE INCLUDED." NYE ACKNOWLEDGED THE POINT.

11. THERE WAS A BRIEF DISCUSSION OF THE SECURITY CLASSIFICATION OF TECHNICAL RESEARCH, AND IT WAS MUTUALLY AGREED THAT BOTH SIDES WOULD TAKE A LOOK AT THE AGREEMENTS DATING BACK TO THE 1950S AND 1960S WITH RESPECT TO SHARING INFORMATION ON RESEARCH AND DEVELOPMENT.

12. THE US SIDE PRESENTED ITS VIEWS ON A "FUEL TRUST" AND CIRCULATED ITS DISCUSSION PAPER. ALTHOUGH INITIALLY SKEPTICAL OF A LARGE FUEL BANK, THE DISCUSSION OF THE FUEL TRUST PAPER MET WITH CONSIDERABLE UNDERSTANDING AND AGREEMENT ON THE AUSTRALIAN SIDE. THE GOA HAD A NUMBER OF SPECIFIC QUESTIONS ABOUT THE MECHANICS OF A "FUEL TRUST", AND AGREED TO PROVIDE DETAILED COMMENTS ON THE CONFIDENTIAL

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US PAPER. THE GOA SIDE WAS RELIEVED THAT THE US CONCEPT WAS FOR A SMALL TRUST TO PROVIDE ASSURANCE TO COUNTRIES WITH SMALL NUCLEAR PROGRAMS AGAINST INTERRUPTIONS IN SUPPLY, AND TO PROVIDE INCENTIVES FOR THEM NOT TO DEVELOP FULL FUEL CYCLE CAPABILITIES. WITH REGARD TO LARGE CONSUMERS SUCH AS JAPAN AND THE FRG, BOTH SIDES AGREED THAT THE FUEL TRUST WAS NOT APPROPRIATE, AND THAT OTHER FUEL ASSURANCES WOULD HAVE TO BE WORKED OUT. THE CONCEPT OF A "SAFETY NET" IN THE IEA WAS SUGGESTED, AND BOTH SIDES AGREED TO EXPLORE THIS CONCEPT FURTHER. THE GOA SIDE WAS PARTICULARLY PLEASED THAT THE US SHOWED THEM OUR PAPER FIRST, EVEN THOUGH WE NOTED THAT WE HAD DISCUSSED THE PRINCIPLE OF THE TRUST IN GENERAL TERMS WITH THE CANADIANS, BRITISH AND JAPANESE. FERNANDEZ TOLD NYE THAT THE AUSTRALIANS WOULD GET BACK TO US ABOUT A POSSIBLE COMMITMENT BEFORE THE NEXT MEETING OF WORKING GROUPS.

13. FINALLY, WITH RESPECT TO STORAGE OF WASTES, FERNANDEZ SAID THE PRESENT GOA POLICY AGAINST ENTERTAINING THE POSSIBILITY OF STORING WASTES IN AUSTRALIA WAS A FIRM ONE WHICH WAS UNLIKELY TO BE RE-CONSIDERED IN PRESENT CIRCUMSTANCES. HE EXPLAINED THAT IF THE WASTE ISSUE

WERE ADDED TO THE CURRENT DOMESTIC DEBATE, IT MIGHT  
MAKE IT IMPOSSIBLE TO EXPORT URANIUM. HE EXTENDED  
THIS, UNDER QUESTIONING, TO THE POSSIBILITY OF EXAMINING  
PACIFIC ISLAND SITES, PARTICULARLY THOSE UNDER  
AUSTRALIAN CONTROL, CITING THE POLITICAL  
PROBLEMS WITH AUSTRALIA'S NEIGHBORS ASSOCIATED WITH THE  
VARIOUS AUSTRALIAN-CONTROLLED ISLANDS.

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14. BOTH SIDES WENT STEP BY STEP THROUGH THE DRAFT  
BILATERAL US-GOA NUCLEAR COOPERATION AGREEMENT. THE GOA  
HAD DEVELOPED ALTERNATIVE FORMULATIONS ON MANY POINTS  
WHICH, FOR THE MOST PART, DID NOT APPEAR TO PRESENT MAJOR  
OR SUBSTANTIVE DIFFICULTIES. THE GOA AND US SIDES AGREED  
ON WHICH PARAGRAPHS NEEDED RE-WORKING AND PREPARED AN  
INFORMAL PAPER ON FOLLOW-ON ASSIGNMENTS.

15. PENDING COMPLETION OF A NEW COOPERATION AGREEMENT,  
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THE AUSTRALIANS REQUESTED US TO ENTER INTO AN INTERIM AGREEMENT ALONG THE LINES OF THE NOV. 15, 1977, US-CANADA EXCHANGE OF NOTES. FERNANDEZ NOTED THAT IN CURRENT GOA NEGOTIATIONS WITH JAPAN, THE JAPANESE HAD INDICATED GOA ARRANGEMENTS ON DOUBLE LABELLING WITH USG ALONG LINES OF US-CANADIAN INTERIM AGREEMENT AS A PREREQUISITE TO GOA-JAPAN AGREEMENT. THE US SIDE SAID THIS SHOULD BE NO PROBLEM AND PROVIDED THE GOA WITH THE TEXT OF AN EXCHANGE OF NOTES INCORPORATING (1) FIRST SUBSTANTIVE PARA OF CANADIAN INTERIM AGREEMENT, (2) ASSURANCES ON PHYSICAL SECURITY TO MEET NEW NRC REGULATIONS, (3) THE SUBSTANCE OF NUMBERED PARA 2 OF CANADIAN INTERIM AGREEMENT. A TEXT WAS AGREED UPON AD REFERENDUM. THE US SIDE PROMISED TO CLEAR THE TEXT IN WASHINGTON AND BE BACK TO THE GOA PROMPTLY.

16. THE GOA IS DEDICATED TO ACHIEVING AN AGREEMENT BETWEEN US AS SOON AS POSSIBLE, A POINT DEPUTY PRIME MINISTER ANTHONY UNDERSCORED IN A SEPARATE PRIVATE MEETING WITH DR. NYE, ASKING WHETHER, IN FACT, IT MIGHT BE POSSIBLE FOR HIM TO INITIAL SUCH AN AGREEMENT DURING A FORTHCOMING TRIP TO WASHINGTON NEXT MONTH. ANTHONY ALSO INDICATED SYMPATHY FOR THE FUEL TRUST CONCEPT AND THE POSSIBILITY OF A DECLARATION THAT ANY FURTHER ENRICHMENT PLANTS SHOULD BE MULTI-NATIONAL.  
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## Message Attributes

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**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2214312  
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**Status:** NATIVE  
**Subject:** US-AUSTRALIAN DISCUSSIONS ON NUCLEAR SAFEGUARDS  
**TAGS:** TECH, ENRG, MNUC, AS, US  
**To:** STATE USIAEA  
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**Review Markings:**  
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